

IMAC QA Subcommittee Meeting Minutes

May 12, 2003

Members Present

Joanne Ator, Door County; Jackie Bennett, Racine County; Bernadette Conolly, DHFS/DHCF/BIMA; Jacaie Coutant, Milwaukee County; Chris Elms, Dane County; Lisa Hanson, DHFS/DCHF/BHCE; John Haine, DHFS/DHCF/BIMA; Vicki Jessup DHFS/DCHF/BIMA, Kathy Judd, Dane County; Pam Lohaus, DHFS/OSF/Southern Region; Lorie Mueller, LaCrosse County; Marilyn Rudd, DHFS/DHCF/BIMA; Marcia Williamson, DHFS/DHCF/BIMA

Members Absent

Joanne Simpson, DHFS/DHCF/BIMA

1. April 14, 2003 Meeting Minutes

The April minutes were reviewed. Recap of major action take at April meeting: committee majority support to drop the 30 case minimum sample requirement for passing sanctions, and to submit only one proposal to IMAC. No corrections were cited and minutes approved as written.

2. Correlation Between FFY Error Rate Sanction and County/State Impact Year

The committee briefly discussed the question of how the pass-through of FNS sanctions are addressed in the county/state contract. For example, whether the sanction related to FFY 2002 a part of the CY2002 or 2003 county/state contract. The sanction pass-through funds are collected from the state in the calendar year following the federal fiscal year, committee members were unclear as to which county/state contract contains the specific sanction rate provision.

➤ *Action Item: Bernadette will check the contract to answer this question.*

3. Review of Handouts and Sanction Pass-Through discussion

John reviewed handouts sent for the meeting, focusing first on Sanction issues:

a. Summary of FS Program Performance Measures for FFY 2003 High Performance Bonuses

John went over the dollars associated with each category to be awarded to multiple states:

1. Payment Accuracy - \$24 million
2. Negative Error Rate - \$6 million
3. Participation Rate - \$12 million
4. Application Processing Timeliness - \$6 million

All of the categories except Participation Rate are drawn from QC data.

b. FS Error Rate Comparison: FY00 FY01

John noted that based on current error rate data for 00-01, Wisconsin does not fall into the running for any of the potential bonuses. Changes being made to the FS process over the next months will hopefully move the state into at least a couple of the bonus categories.

c. Current Sanction Method for FY01 Sanction

In addition to the information presented on the chart, no sanctions will be levied at all during FFY 2003. The sanctions will resume in FY 04 for states exceeding the national average for two consecutive years. So although there is no sanction applied for FY03, the error data will be used in the calculation to determine which states exceeded the national average for 2 consecutive years (03 and 04).

d. FS Error Summary by County – 10/2000 – 9/2001

Total state error rate of 12.7% will be regressed by FNS. The regressed rate is currently 13.14%.

e. Agency Preventable Error Comparison: Current vs Adjusted for Law Change

The \$93/error dollar was obtained by averaging the last three years data, including the current year. Under the revisions of the new law, the penalty would have been \$53 because only the current year would be used.

f. Sanction Option Using Adjusted Methodology

John provided a workup showing the penalty to each county obtained by taking each county's APE errors and converting them to a sanction amount based on the newer calculation process and dropping the 30 case sample. Question was raised regarding the "Agency Non-APE" error category. Jacaie Coutant pointed out that this category represents those errors created by agencies not under the control of Milwaukee County (e.g. W2 agency which is contracted by the state). There may be other errors that fall into this category. *By consensus of the committee, these errors should not be included in the APE sanction pass-through to the counties.*

➤ *Action Item: Marcia will check the identify what errors other than those cited by Milwaukee County fall into this category.*

Discussion points related to this issue:

Should all counties with errors be sanctioned, or only those whose error rates exceed the national average?

- Pro: If the basis of the elimination of the 30 case sample is because Wisconsin is sanctioned based on the total cases reviewed throughout the entire state, then all agencies should be equally liable and sanctioned accordingly.
- Con: There should be recognition to agencies who work to keep errors below the national average.

By consensus of the committee, all counties with errors would assume liability for APE errors in their agency.

g. FY2001 Recipient Caseload Sanction Pass-through as a Percentage of the Caseload

John provided this workup which spreads a sanction penalty to all agencies based on the percentage of caseload. This workup does not take into account whether each agency was sampled or not, and doesn't address county-specific findings in the QA sample, but rather passes the sanction to every agency proportionately. Looking at 2000 complete error rate data, 10 county/tribal agencies did not have any cases reviewed at all. Of those the county/tribal agencies who did have cases pulled, several had no errors at all and some no APE errors.

➤ *Action Item: Joanne Ator requested information related to how many cases have been pulled for review by county this year. Marcia will collect that information.*

☒ *Vote Taken: Should the methodology of sanction pass-through be:*

1. *A flat rate assessed to every county based on percentage of caseload?*
2. *Or should the sanction pass-through reflect each agency's liability to the specific APE dollars based on QA data?*

Result: #2 (by majority vote)

Comment: Error sanction should be performance based.

☒ *Vote Taken: Should sanction pass-through include the category Agency Error in addition to APE? NO (majority vote)*

Comment: The Agency Error category was developed specifically for cases in which QA felt the county agency could not be held liable. The category should be applied uniformly as appropriate by QA staff.

4. Bonus Pass-Through Issues

a. Payment Accuracy

1. ***Calculation of the bonus award (by consensus of the committee):***
Use the same calculation as the error penalty (i.e. determine a per dollar amount for each correct dollar for each correct case reviewed. This multiplier would then be applied to the dollars issued correctly for each case with no error for each county with correct cases.)
2. Restrictions on the use of bonus dollars earned and retained by DHFS:
General consensus is that bonus dollars need to stay within program administration.
➤ ***Action Item: John will research to see if the dollars can be earmarked to go back onto program administrations as well as whether the bonus dollars can be used to draw down federal match.***
3. ☒ ***Vote Taken: What percentage of Payment Accuracy bonus dollars should remain with the state to fund statewide initiatives and/or offset state payment accuracy costs?***
Response: 50% (unanimous vote)
4. ☒ ***Vote Taken: Should restrictions be placed on local agencies to use bonus dollars to fund only FS activities and/or initiatives?***
Response: No, however contract language could contain broad earmarking language, e.g. "used to fund local agency resources necessary to the administration of IM programs."

b. Negative Error Rate Bonus

This sample is based on caseload size. Bonus dollars will go to 4 states with the lowest negative error rate and 2 states with the most improved negative error rate.

Training issues related to this category includes both training for QC staff to call negative errors correctly – within the broadest interpretation allowed, but also for local agency administrators in charge of “front door” issues to be sure local procedures do not contribute to this error.

➤ ***Action Item: Marcia will check specifically to see how the sample is drawn.***

By committee consensus, the bonus pass-through recommendation for this formula is:
Total bonus dollars available divided by the number of correct cases in the statewide sample, multiplied by the number of cases correctly denied/terminated for each county.

Committee consensus: The state would retain 50% of bonus dollars earned. The formula would be applied to the remainder.

c. Participation Rate Bonus

This bonus is based on the percentage of people under the FPL being served through the FS program.

Committee consensus: The state would retain 50% of bonus dollars earned. The formula would be applied to the remainder.

Committee consensus: Distribute bonus dollars earned in this category using the methodology illustrated in the handout entitled “FY2001 Recipient Caseload Bonus Pass-through as a Percentage of the Caseload.”

Comment: This standard is not tied to QC data and more difficult to develop an agency-specific activity upon which to award the dollars. Distribution to all agencies based on caseload size seemed the more equitable way to address this standard.

d. Processing Timeliness

This standard measures both application processing and expedited issuance timeliness. This is another area in which the agency’s front door procedures need attention. It was also suggested that this standard is one that is entirely controlled by the local agency and directly reflects on local agency performance.

By consensus of the committee: 100 percent of bonus dollars earned in this category would pass-through to the counties.

By consensus of the committee: bonuses would be distributed based on individual performance as shown in QC data measuring this standard. The dollars would be divided among the number of cases processed timely and distributed to each agency meeting processing standards in the sample.

Next meeting: Monday, June 16, 2003 9:00 a.m. to 1:00 p.m.

Submitted by: Jackie Bennett